



UNIVERSITI PUTRA MALAYSIA

**LEARNING ORGANIZATION PRACTICES:
A CASE OF S.E.H. (MALAYSIA) SDN. BHD.**

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**LEARNING ORGANIZATION PRACTICES:
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**BY
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**A Research Project submitted to the
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The research project entitled "Learning Organization Practices: A Case of S.E.H. (Malaysia) Sdn. Bhd." by Liew Siew Fah is submitted in partial fulfillment of the requirements for the degree of Master of Science (Human Resource Development) in the Department of Professional Development and Continuing Education, Faculty of Educational Studies, Universiti Putra Malaysia.

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DEDICATION

This project is dedicated to you, sister Lan.

*I missed your laughter since 15th January 1999 when you left us
suddenly and unexpectedly.*

Remember you forever.

Liew Siew Fah

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In many ways, this is the most unusual project I have completed. Unusual because it excites me so much, and many lessons learnt throughout the project has great impact and values to my life. Never forgetting how I have to wrestle with time and emotions when I lost my sister in the midst of completing the project.

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LIST OF ABBREVIATIONS

DL	Deutero Learning
DLL	Double-loop Learning
DLOQ	Dimensions of the Learning Organization Questionnaire
HRD	Human Resource Development
LO	Learning Organization
MBTI	Myers Briggs Types Indicators
QCC	Quality Control Circles
SLL	Single-loop Learning
SOP	Standard Operating Procedures
SPSS	Statistical Package for Social Science
TQM	Total Quality Management
VSS	Voluntarily Separation Scheme

Abstract of Research Project submitted to the Department of Professional Development and Continuing Education, Faculty of Educational Studies, Universiti Putra Malaysia in partial fulfillment of the requirements for the degree of Master of Science (Human Resource Development).

**LEARNING ORGANIZATION PRACTICES:
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By

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MARCH 1999

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In Malaysia, the Learning Organization (LO) paradigm has gained wider grounds in many organizations and there has been a dramatic increase in its interest. Nevertheless, confusion on the concepts of LO is still present, many people still lack or have very little knowledge on it. Furthermore, their impacts on strategic management in many organizations remain unclear, abstract and under examined. But many organizations are now opting for a shift from traditional learning to learning organization paradigm for corporate survival and competitiveness in global market.

This study attempts to measure the management practices of S.E.H. (Malaysia) Sdn. Bhd. against the seven dimensions of LO, and how this organization is transforming and embarking into learning organization based on a model developed by Watkins and Marsick (1993, 1996).

The specific objectives of the study were to: 1) examine the degree of creating continuous learning opportunities at the individual level, 2) measure the degree of promoting inquiry and dialogue at the individual level, 3) identify the degree of team learning and collaboration among employees, 4) identify the degree of utilizing the systems to capture and share learning, 5) identify the degree of empowering people toward a collective vision, 6) identify the degree of connecting the organization to its environment and 7) identify the degree of the providing of strategic leadership for learning. In addition, it also measures the degree to which perceived reaction of respondents toward changes in financial performance and knowledge performance at S.E.H. (M).

The questionnaire was pre-tested on twelve employees. A total of 72 respondents from various levels of positions in this organization were selected for data analysis. Descriptive statistics were used to explain the practices of the seven dimensions of LO and two additional performance factors.

The findings reveal that S.E.H. (M) Sdn. Bhd. is at a moderate stage of becoming a learning organization. It was evident that S.E.H. (M) has a strong leadership strategic in fostering learning, especially in supporting requests for learning opportunities and training. This was well supported by seeing their extensive monthly training programs provided by the HRD Department. The

findings also indicate that S.E.H. (M) often engaged in team learning, such as QCC, task groups and project team. However, the perceived changes from the respondents about knowledge and financial performance were revealed to be weak. This was probably due to the economic crisis currently prevailing in Asia countries.

As a conclusion, although becoming a LO is not a destination, for some organizations, it is a journey that an organization should embark into and unconsciously practicing it. Some recommendations to improve the LO practices are: S.E.H. (M) should show confident in their teams/groups recommendations, leaders be the pace-setter, model, coach and mentor in the learning processes to their employees, S.E.H. (M) should creating continuous learning opportunities and constantly promote dialogue and inquiry among the employees.

Abstrak Projek Penyelidikan yang dikemukakan kepada Jabatan Pemajuan Profesional dan Pendidikan Lanjutan, Fakulti Pengajian Pendidikan, Universiti Putra Malaysia, untuk memenuhi sebahagian syarat untuk Ijazah Master Sains (Pembangunan Sumber Manusia).

**AMALAN ORGANISASI PEMBELAJARAN:
SATU TINJAUAN DI S.E.H. (MALAYSIA) SDN. BHD.**

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MARCH 1999

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Di Malaysia, paradigma organisasi pembelajaran mula tersebar luas dan menarik minat pelbagai organisasi. Namun begitu, kekeliruan tentang konsep organisasi pembelajaran masih wujud dan masih ramai orang yang kurang memahaminya. Tambahan pula, kesan pengurusan strategik terhadap organisasi pembelajaran masih kabur, abstrak dan di peringkat ujian. Namun demikian, kebanyakan organisasi memilih untuk bertukar daripada pembelajaran secara tradisional kepada paradigma organisasi pembelajaran agar mereka mampu bertahan dan bersaing di pasaran global.

Kajian ini cuba menilai amalan pengurusan yang dipraktikkan di S.E.H. (M) dengan tujuh dimensi organisasi pembelajaran, dan sejauh mana organisasi ini

mampu bertukar dan bergerak ke arah organisasi pembelajaran dengan menggunakan modal yang diperkenalkan oleh Watkins and Marsick (1993, 1996).

Objektif kursus kajian ini adalah: 1) menguji sejauh mana kewujudan peluang pembelajaran berterusan di peringkat individu, 2) menguji sejauh mana individu diberi peluang untuk berdialog dan bersoal-jawab, 3) mengenalpasti sejauh mana pembelajaran secara kumpulan dan kerjasama di kalangan pekerja, 4) mengenalpasti sejauh mana penggunaan sistem dalam mendapatkan dan berkongsi matlumat untuk pembelajaran, 5) mengenalpasti sejauh mana organisasi memberi kuasa kepada pekerja untuk menyumbang dalam pembinaan visi organisasi, 6) mengenalpasti sejauh mana organisasi dapat menghubungkan pekerja dengan persekitarannya, dan 7) mengenalpasti sejauh mana organisasi dapat menyediakan kepimpinan strategik untuk pembelajaran. Di samping itu, kajian ini juga ingin mengukur persepsi pekerja berhubung perubahan prestasi kewangan dan prestasi pengetahuan dalam organisasi ini.

Pra-uji telah dijalankan ke atas 12 orang pekerja dengan menggunakan soal-selidik DLOQ. Sejumlah 72 orang pekerja daripada pelbagai peringkat dalam organisasi telah dipilih sebagai responden. Analisa statistik deksriptif telah digunakan untuk menjelaskan sejauh mana amalan dimensi organisasi pembelajaran.

Hasil kajian menunjukkan S.E.H. (M) masih berada di peringkat sederhana ke tahap organisasi pembelajaran. Terbukti bahawa S.E.H. (M) mempunyai kepimpinan strategik yang kuat dalam memajukan pembelajaran terutamanya menyokong pekerja mendapatkan peluang pembelajaran dan latihan. Ini disokongi oleh program latihan bulanan yang sering kali disediakan oleh jabatan pembangunan

sumber manusianya. Hasil kajian juga menunjukkan S.E.H. (M) sentiasa melibatkan diri dalam pembelajaran berpasukan seperti Kumpulan Kawalan Kualiti (Quality Control Circle), kumpulan kerja dan pasukan projek. Namun begitu, responden beranggapan prestasi pengetahuan dan prestasi kewangan agak lemah. Keadaan ini mungkin disebabkan oleh krisis ekonomi yang melanda Asia masa kini.

Sebagai rumusan, menjadi organisasi pembelajaran adalah satu “perjalanan” yang berterusan dan bukan satu destinasi. Antara cadangan-cadangan untuk meningkatkan amalan organisasi pembelajaran adalah: S.E.H. (M) harus menunjukkan keyakinan dalam menerima cadangan daripada pasukan kerjanya. Pemimpin harus menjadi contoh model, jurulatih dan pembimbing dalam proses pembelajaran pekerjaanya. S.E.H. (M) juga harus mewujudkan peluang pembelajaran yang berterusan dengan menganjurkan dialog dan soal-jawab secara kekal dan berterusan di kalangan pekerjaanya.

CHAPTER I

INTRODUCTION

Background of the Study

The organizations in the 1990s are increasingly taking cognizance of the fact that learning makes the critical difference. As such many organizations are now opting for a shift from traditional learning to learning organization paradigm.

As a result of this paradigm shift, learning and work have become synonymous terms. Learning is frequently a part of the task itself and learning must take place as on-going by-product of people doing their work. Rather than acquiring knowledge before performing a particular job, and now employees must learn their way out of the work problems they addressed.

Learning is now so essential for career success, corporate survival, and national prosperity that it no longer makes sense to relegate it to certain institutions or to particular periods in one's life. Learning is now everybody's business. Dixon (1993) therefore expresses that the reason most organizations are inefficient learners is their lack of systematic processes to facilitate learning.

There must, therefore, be a whole new mindset regarding the concepts of learning organization. As such, many organizations are struggling to becoming a learning organization, yet many still unclear about learning or how does it transforms an organization. Each one trying to grasp the concept of learning organization just like the fable in which blind men try to describe an elephant, each

feeling only one part. Similarly, one's perception of a learning organization as a whole may depend on which part one touches. Everyone looks at learning organization

Why Learning Organization?

According to Dixon (1993), too many organizations unfortunately are unable to learn from their mistakes, they fail to adapt to customer needs and do not improve their processes to meet rising competitive standards, and as a result they eventually lose market share and drop out of the race. Change has become a constant and as such, organizations need to continuously learn in order to adapt, compete and succeed in today's world.

Many writers (Senge, 1990; Nonaka, 1991; Watkins and Marsick, 1993; Dixon, 1994; Ryllat, 1994; Hitt, 1995; Marquardt, 1996; Black and Synan, 1996; Sligo, 1996; Dunphy, Tutner and Crawford, 1997; Probst and Buchel, 1997; Redding, 1997) have asserted that the ability to learn in an organization is a key factor for adapting to the myriad of changes prevailing nowadays. It is essential for survival and competitiveness in the global market.

In Malaysia, the Learning Organization paradigm has begun gaining access to many organizations. There is constant reminder from the ministers to organization to adopt best practices in order that they are on par with their competitors in the highly competitive market (Rafidah Aziz, New Strait Times, 25 November 1998).

The Noah Principle states, "One survives, not by predicting the rain, but by building arks" (Redding, 1997:66). According to Redding, a learning organization is an organization that takes action so that it can weather future storms. If a company

fails to see the world has changed and if it does not adapt to change, it will die. Daudelin and Hall (1997) further assert that “Managers who succeed in today’s turbulent business environment are those who learn quickly and apply that learning to unpredictable, rapidly occurring new situations” (p.13).

As organizations move from the Industrial age into the Information age, there are enormous and irreversible changes sweeping through the world today. These changes redefine the ways in which people work and interact with one another. In fact, change is happening so quickly that leaders of both private and public organizations find that they are facing constant and bewildering barrage of challenges. Successfully meeting such challenges will require new methods, new skills, and new structures – in short, a new organization.

Also, today’s competition increases throughout the international marketplace, it has become imperative for the survival of the organization to develop a capacity to change and learn. The development of the learning organization is associated with the need to provide for internal renewal of the organization in the face of a competitive environment. A learning organization has been defined by Watkins and Marsick (1993) as one that learns continuously and can transform itself as it empowers the people, encourages collaboration and team learning, promotes open dialogue, and acknowledges the interdependence of individuals and the organization.

Marquardt (1997) also has similar definition and acknowledges that organizational learning is a critical paradigm for corporate success in the 21st Century. Furthermore, learning can be translated into performance with the

utilization of advanced technology, empowerment of people within and outside the organization, and ultimately, enhances the productivity of the organization.

Senge (1990) views a learning organization as one "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together" (p.3).

Concept of Learning Organization

The concept of learning is no longer new to an organization and there has been a range of literature discussing on this concept of the learning organization since late 1970's. Many authors (Argyris and Schon, 1978; 1996; Dennis, 1996; Dixon, 1993; Field, 1995; Marquardt, 1997; Senge, 1990; Stone, 1998; Watkins and Marsick, 1993; Waugh, 1996) stated that learning takes place in the organizations on a continuous basis and it is recognized as an essential ingredient for the organizational performance. According to Argyris and Schon (1996), there is virtual consensus that we are all subject to a 'learning imperative,' and in the academic as well as the practical world, organizational learning has become an idea in good currency. Waugh (1996) further supported this viewpoint that recurrent, lifelong education and training are implicit requirements of the modern workplace.

However this definition is questioned by some of the recent authors for its idealism (Lakomski, 1998) and there are doubts of the existence of such organizations (Dennis, 1997; Garavan, 1997; Marsick, 1997; Tight, 1996; Watkins and Marsick, 1993). These authors believed that very few members of the

organization had understood or had awareness on the fundamental elements and approaches needed to create a learning organization.

This definition is more forceful in that it embraces the notion of learning at an individual and organizational level as a means of ensuring development through continuous improvement. It recognizes the employee interaction with the workplace setting and its broader environs, and also hints at the systems and support necessary to facilitate enhanced productivity through learning.

In contemporary organizations, development through continuous improvement is of top priority and Total Employee Involvement concept is applied. Employees are viewed as partners of company as supported by Marquardt (1997) who cites Zuboff (1988) by saying learning is neither a separate activity that occurs before one enters the workplace or in remote classroom settings, nor is an activity preserved for a managerial group. But learning is the heart of productive activity. However, ongoing learning for continuous improvement does not simply just happen in the organizations. It requires specialized knowledge and skills to ensure that opportunities for learning at individual, group and organizational level are effectively embedded in the organization's systems and work practices Dennis, 1997; Field, 1995; Waldersee, 1997; Watkins and Marsick, 1993).

Watkins and Marsick (1993) believes that there is no clear prescription for creating a learning organization. Nevertheless, this way of thinking about an organization requires changes of considerable magnitude. Waldersee (1997) reinforces this point by believing that the transition to a learning organization involves complex change, and that transforming a complex system to learning organization is a difficult task.